

Message Text

LIMITED OFFICIAL USE

PAGE 01 BERN 04671 140923Z

11

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-03 H-01

INR-05 L-02 NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02

SS-15 USIA-06 FEA-01 AEC-05 AID-05 CEA-01 CIEP-01

COME-00 EB-07 FPC-01 INT-05 OMB-01 SAM-01 OES-03

STR-01 TRSE-00 FRB-01 XMB-02 OPIC-03 LAB-04 SIL-01

IO-10 AGR-05 /123 W

----- 064651

R 131638Z DEC 74

FM AMEMBASSY BERN

TO SECSTATE WASHDC 9974

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TEHRAN

AMEMBASSY VIENNA

USEC BRUSSELS UNN

USOECD PARIS UNN

LIMITED OFFICIAL USE BERN 4671

E.O. 11652: N/A

TAGS: EFIN, ENRG, SZ, SA

SUBJECT: VISIT TO BERN OF SAUDI ARABIAN PETROLEUM MINISTER
YAMANI

REF: ZURICH 699

1. SUMMARY. SHEIKH YAMANI IN BERN VISIT DEC. 11 DISCUSSED

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BERN 04671 140923Z

PRODUCER/CONSUMER DIALOGUE AND PETRO-RELATED FINANCIAL

DEVELOPMENTS WITH SWISS FINANCE MINISTER AND OTHER OFFICIALS.
END SUMMARY.

2. SAUDI ARABIAN MINISTER OF PETROLEUM AND MINERAL RESOURCES
YAMANI PAID BRIEF VISIT BERN DEC 11 FOR LUCHEON GIVEN BY
FEDERAL COUNCILOR (FINANCE MINISTER) CHEVALLAZ, WHICH
ATTENDED BY AMBASSADOR JOLLES, DIRECTOR, DIVISION OF
COMMERCE AND OTHER SENIOR SWISS OFFICIALS.

3. JOLLES TOLD E/C COUNSELOR DEC 13 THAT "VOLKSWIRTSCHAFT-
LICHE GESELLSCHAFT ZURICH" HAD EXTENDED INVITATION COMPLETELY ON
ITS OWN FOR YAMANI TO SPEAK ON DEC 11 (REFTEL) ABOUT WHICH
GOS HAD SUBSEQUENTLY LEARNED. DECISION THEN MADE FOR
FEDERAL COUNCIL EXTEND OFFICIAL INVITATION FOR BERN VISIT
WHICH ACCOMPLISHED ONLY WITH SOME DIFFICULTY SINCE YAMANI
TRAVELLING IN EXECUTIVE JET. PILOT INITIALLY BALKED AT
LANDING AT BERN AIRPORT WHICH HAS BERY SHORT RUNWAY.

4. JOLLES EMPHASIZED THAT CONVERSATION WITH YAMANI PLEASANT,
UNEMOTIONAL, AND NON-POLITICAL AND THAT YAMANI HAD REPEATEDLY
STRESSED DESIRE WORK OUT COMMON PROBLEMS FACING CONSUMRERS AND
PRODUCERS IN REASONABLE WAY. HOWEVER, JOLLES NOTED RECURRENT
UNDERLYING NOTE OF WARNING THAT ISSUES MUST BE DEALT WITH
WITHOUT UNDUE DELAY. IN CONVERSATION, SWISS PARTICULARLY
STRESSED FINANCIAL/ECONOMIC ASPECTS OF OIL PROBLEM, AREAS
IN WHICH THEY FEEL THEY CAN MAKE GREATEST CONTRIBUTION AND
WHERE THEY HAVE MOST AT STAKE.

5. JOLLES BROKE CONVERSATION DOWN INTO FOLLOWING SUBJECTS:

A. CONCERN ABOUT REPERCUSSIONS ON WORLD ECONOMY OF
HIGH OIL PRICES, INCLUDING PARTICULARLY HIGH BALANCE OF
PAYMENTS DEFICITS AND SURPLUSES OF VARIOUS COUNTRIES.
CHEVALLAZ AND YAMANI AGREED THAT THERE WERE RISKS OF SERIOUS
PROBLEMS.

B. CONSUMER/PRODUCER RELATIONS. YAMANI THOUGHT
THAT TRILATERAL MEETING OF SMALL NUMBER COUNTRIES
REPRESENTING PRODUCERS, INDUSTRIALIZED CONSUMERS, AND
LDCS SHOULD BE HELD AS SOON AS POSSIBLE. JOLLES GOT
IMPRESSION FURTHER FRENCH/SAUDI ARABIAN JOINT INITIATIVES
TOWARD THAT END MIGHT BE FORTHCOMING. YAMANI EQUATED USG
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BERN 04671 140923Z

PREFERENCE FOR DELAY PENDING THOROUGH PREPARATIONS WITH
READINESS FOR CONFRONTATION. SWISS REPEATED THEIR
ENDORSEMENT OF TRILATERAL APPROACH BUT CAREFULLY DID NOT
TAKE SIDES ON QUESTION OF WHAT NEEDED TO BE DONE BEFORE
MEETING TAKES PLACE. THEY DID, HOWEVER, TELL YAMANI THAT
SINCE SIWTZERLAND NOT LIKELY BE INCLUDED IN SMALL GROUP
INDUSTRIAL COUNTRIES, THEY AND OTHER NON-ATTENDING INDUSTRIAL
COUNTRIES SHOULD HAVE ADEQUATE OPPORTUNITY EXPRESS THEIR

CONCERNS AND VIEWS TO THOSE CONSUMING COUNTRIES WHICH WOULD BE PRESENT, AND THAT CONSUMER COUNTRY COORDINATION SHOULD BE COMPARABLE TO OPEC PREPARATIONS. YAMANI PARTIALLY ACCEPTED THIS POINT, BUT THOUGHT IT ESSENTIAL THERE NOT BE RIGID OR INFLEXIBLE POSITIONS ON ANY SIDE OF TABLE. HE POINTED OUT THAT SUBSTANTIAL DIVERGENCIES, PARTICULARLY ON PRICES, EXISTED AMONG PRODUCERS AND IT MIGHT WELL NOT BE IN CONSUMER COUNTRY INTEREST TO HAVE ALL ISSUES RESOLVED AMONG PRODUCERS. IEP WAS NEVER MENTIONED IN CONVERSATION.

C. AGENDA FOR TRILATERAL MEETING. CHEVALLAZ AND YAMANI AGREED THAT RECYCLING OF OIL FUNDS SHOULD HAVE HIGHEST PRIORITY. YAMANI RECOGNIZED THAT SHORT-TERM FUND MOVEMENTS POSED THREAT TO MONETARY STABILITY AND THAT SAUDI ARABIA WOULD PREFER MOVE TOWARD LONG-TERM INVESTMENT AND PARTICIPATIONS FROM SHORT-TERM BANK DEPOSITS AND OTHER INSTRUMENTS. SECOND TOPIC DISCUSSED, EVEN BEFORE PRICES, SHOULD BE FINANCIAL AID TO MOST SERIOUSLY AFFECTED DEVELOPING COUNTRIES. YAMANI ACKNOWLEDGED THAT ARAB PRODUCERS SHOULD MAKE SIGNIFICANT CONTRIBUTION BUT THOUGHT AMONG CURRENT PROBLEMS WERE FINDING INTERESTING PROJECTS AND DEVISING ADEQUATE INSTITUTIONAL CHANNELS. HE DESCRIBED NEW ARAB AID FUNDS BUT SAID HE HAD NOTHING AGAINST EXISTING INTERNATIONAL FINANCIAL INSTITUTIONS EXCEPT THAT SOME TIMES THEY SEEMED SOMEWHAT UNIMAGINATIVE.

6. YAMANI ALSO DESCRIBED SAUDI OIL POLICY AND GOALS ALONG LINES HIS ZURICH SPEECH. (REFTEL).
DAVIS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MINISTERIAL VISITS, MEETING PROCEEDINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BERN04671
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740364-0007
From: BERN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741238/aaaabghz.tel
Line Count: 143
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 74 ZURICH 699
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAR 2002 by shawdg>; APPROVED <28 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: VISIT TO BERN OF SAUDI ARABIAN PETROLEUM MINISTER YAMANI
TAGS: EFIN, ENRG, SZ, SA, (YAMANI, SHEIKH), (JOLLES)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005